

Office of the Illinois Attorney General

Guidance from the Consumer Protection Division Regarding Relief for Homeowners and Renters During the COVID-19 Pandemic

Updated May 4, 2020

This document is intended to serve as guidance from the Office of the Illinois Attorney General's ("OAG") Consumer Protection Division regarding financial relief available to homeowners and renters throughout Illinois during the COVID-19 pandemic. The OAG cannot provide legal advice and homeowners and tenants should consult with an attorney to receive advice tailored to their specific circumstances. This document covers financial relief related to housing. Please see the OAG's document titled "Guidance Related to Loans and Debt" for information about other types of loans and debt.

Relief for Homeowners

If you can't pay your mortgage because you've lost your employment, had your hours reduced, or have become sick as a result of COVID-19, call your mortgage servicer. You may be eligible for relief under the federal CARES Act.

- If you have a **federally-backed loan**, your mortgage servicer must offer you a **forbearance of up to 6 months** if you can't afford your mortgage payment because of COVID-19.
- A federally-backed loan includes:
 - FHA loans,
 - HECM reverse mortgages,
 - USDA and VA loans,
 - loans that are sold to or securitized by Fannie Mae or Freddie Mac, and
 - Section 184 and 184A guaranteed mortgages.
- If you don't know if you have a federally-backed loan, you can contact your mortgage servicer to find out. Fannie Mae (<https://www.knowyouroptions.com/loanlookup>) and Freddie Mac (<https://www3.freddie.mac.com/loanlookup/>) also have lookup tools that a homeowner can use to determine whether the homeowner has a Fannie Mae or Freddie Mac loan.
- To receive a forbearance, you need to contact your servicer and explain that you cannot afford your mortgage payment because of COVID-19. You should not be required to submit any additional documents to receive the forbearance.

- You are eligible for this forbearance regardless of whether you are current or delinquent on your loan.
- The forbearance period can be extended for another 6 months if needed.
- If you do **not** have a federally-backed loan, you should still **contact your servicer** if you can't afford your mortgage payment. You may be eligible for other temporary forbearance programs.

What is Forbearance?

Forbearance means that you do not have to pay your monthly payment during the forbearance period. If you receive a CARES Act forbearance, you should not be charged late fees or penalties because of the forborne payments. However, you still owe the money. At the end of the forbearance period you will either need to repay the forborne amount or enter into a repayment plan or modification. You will need to contact your servicer to determine if you qualify for a repayment plan or modification.

Foreclosure Moratorium

- The CARES Act prohibits mortgage servicers from beginning a foreclosure case, obtaining a judgment of foreclosure, or completing a foreclosure sale or a foreclosure-related eviction for **60 days from March 18, 2020** against any borrower with a **federally-backed loan**.
- The moratorium does not apply to vacant or abandoned properties.
- The presiding judge for Cook County Circuit Courts has also issued a moratorium on issuing or executing foreclosure judgment orders in Cook County. If you live outside of Cook County, you should contact your local clerk's office to see if there is a moratorium that applies to your home.

Relief for Renters

The CARES Act prohibits landlords of certain types of rental property from beginning an eviction case against a tenant for the nonpayment of rent for **120 days from March 18, 2020**.

This provision applies to:

- housing programs covered under the Violence Against Women Act, which includes most federally-assisted rental housing programs,
- the rural housing voucher program, and
- properties with federally-backed loans. Some federally-backed loans have lookup tools

that a renter can use to see if the CARES Act may apply to their building. For example, a renter can use these websites to see if there is a Fannie Mae (<https://www.knowyouroptions.com/rentersresourcefinder>) or Freddie Mac (<https://myhome.freddie.mac.com/renting/lookup.html>) loan related to their building.

- The CARES Act prohibits landlords from charging any fees or penalties to a tenant for the nonpayment of rent during this time. And when the moratorium ends, landlords are required to serve a 30-day notice of termination before filing a new eviction against a tenant. The CARES Act does not apply to pending eviction cases.
- Additionally, Illinois' Governor Pritzker has issued an executive order that prohibits landlords from filing residential evictions through **May 29, 2020**, unless the “tenant poses a direct threat to the health and safety of other tenants, an immediate and severe risk to property, or a violation of any applicable building code, health ordinance, or similar regulation.”
- Governor Pritzker has also issued an order that prohibits the enforcement of any residential or non-residential eviction order through **May 29, 2020**, unless the “tenant has been found to pose a direct threat to the health and safety of other tenants, an immediate and severe risk to property, or a violation of any applicable building code, health ordinance, or similar regulation.”
- The presiding judge for Cook County Courts has issued a moratorium on the enforcement of residential eviction orders in Cook County until **June 1, 2020**. If you live outside of Cook County, you should contact your local clerk's office to see if there is a moratorium that applies to your home.
- Neither the CARES Act, the Governor's executive order, or any municipal order means that a tenant is relieved of the obligation to pay rent.
- If you can't afford your rent or if you receive a notice of termination or eviction court papers, you should contact local legal aid organizations for legal representation or advice. A list of legal aid organizations can be found [here](#). You may also consider contacting your landlord to see if you can agree to repayment plan. If you reach an agreement with your landlord, make sure you get a written copy of the agreement.
- You may also be eligible for rental assistance programs. For example, the City of Chicago has a rental assistance program, with application information available [here](#).

Relief for Landlords

If you own a **multi-family property that is secured by federally-backed loans**, and you are experiencing a financial hardship due to COVID-19, you may request a **forbearance of up to 30 days** under the CARES Act. You will need to contact your mortgage servicer to receive this forbearance.

- You need to have been current on your loan as of February 1, 2020, to qualify.
- The 30-day forbearance period may be extended twice, if needed.
- An owner cannot begin or complete an eviction of a tenant for the nonpayment of rent during the forbearance period.

Be Vigilant Against Scammers

Scammers often exploit situations of financial uncertainty. Be wary of any individual or entity who:

- charges an upfront fee for a forbearance or modification,
- asks you to make payments to someone other than your mortgage servicer,
- promises that they can obtain a modification for you or save your house from foreclosure,
- asks you to transfer title to the property, or
- asks you to sign documents that you do not understand.

If you need a forbearance or modification, contact your mortgage servicer. If you want to talk to a housing counselor about your options, you can find a HUD-approved housing counselor in your area [here](#).

Report scammers to the Illinois Attorney General's Office. You should also contact our office if you are having difficulty with your mortgage servicer. You can call our Homeowner Helpline at (866) 544-7151 or you can submit a complaint through our website [here](#).

To minimize risk from the COVID-19 pandemic, the OAG is currently operating with reduced staff. This may mean that responses to complaints, email, and telephone calls may be delayed. The OAG appreciates your patience during this time.